

PRESS RELEASE

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CONYERS OPPOSES PLAN TO PRIVATIZE THE PATENT AND TRADEMARK ORGANIZATION

Congressman John Conyers, Jr., issued the following statement regarding today's hearing in the Subcommittee on the Courts, the Internet and Intellectual Property on H.R. 1561, "The U.S. Patent and Trademark Fee Modernization Act":

"As we all know, the Patent and Trademark Organization (PTO) is in the midst of a crisis. Fully funded by user fees instead of taxpayers, the PTO generates approximately \$1 billion in annual revenues. This success has been an Achilles' heel – the Administration and appropriators treat the PTO as a cash cow, diverting hundreds of millions of dollars of fees every year for other programs. This is making it difficult for the PTO to hire or even retain qualified examiners and to properly examine patent applications. Our technological advancement and our economy can only suffer if Congress sits idly by while this happens.

The PTO has spent considerable time coming up with a plan to solve these problems, but that plan contains proposals that I believe simply will not work. First, the plan calls for an increase in filing fees and for the use of outside contractors to conduct patent searches. It troubles me that we would raise fees for patent applicants at the same time that their money is being diverted to unrelated programs. By increasing fees without stopping diversion, we could be creating a bigger pool of money from which the Administration and the appropriators could steal. I plan to support an amendment designed to stop diversion of these fees.

Second, the PTO's idea to have contractors do patent searches is highly problematic. Searching old patents and journals is one of the core functions of the PTO, giving that job to private companies would be like shutting down the FBI and having someone else conduct criminal investigations. What protections would patent applicants have for contractors that do bad searches – would applicants get extra time for their applications? Also, there could be major conflicts of interest if a company that seeks patents gets hired as a contractor. I will ensure that the PTO cannot contract out important government responsibilities."